

Canned Peach Situation In Selected Countries

The Canned Peach production, supply and distribution table is expanded to include China for the last three marketing years. Prior year data for China is not available.

The forecast for the 2005/06 marketing year puts canned peach production for the world's principal producers and exports are forecast at 1.3 million tons, nearly the same produced in the previous year, world exports at 636,569 tons, up 4 percent, and ending stocks at 148,365 tons, down 2,255 tons. Production of canned peaches for the northern hemisphere for 2005/06 is forecast to be up by 5,535 tons to total 1,026,405 tons and exports are forecast to be up by 7 percent, to total 483,000 tons. The 2005/06 forecast for the southern hemisphere places production at 257,330 tons, down 2 percent from 2004/05, exports at 153,569 tons, down 4 percent and ending stocks at 11,277 tons, 864 tons lower than last year.

Regional and Country Highlights

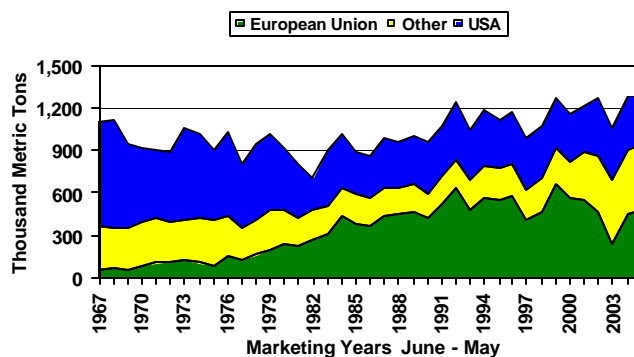
Market fundamentals have returned to pre-2003/04 levels as Greek production has recovered with attendant large ending stocks and lower prices.

Canned peach production in China is expected to remain stable around 206,500 tons. Exports are forecast at 75,000 tons, making China the second largest exporter of canned peaches after Greece.

Since only nine countries are significant producers of canned peaches exports from these countries coupled with domestic consumption is a reasonable indicator of world consumption.

A 2003 freeze, which almost completely destroyed the Greek crop, did not seriously damage the trees.

Canned Peach Production In Principal Supplying Countries



Source: U.S. Agricultural Attaché Reports
Principal supplying countries: USA, South Africa, Australia, Argentina, Chile, China (beginning 2001) and EU (Spain, Greece, Italy)

Greek production bounced back from 61,700 tons to 320,000 tons in 2004 and an estimated 338,000 tons in 2005. This year's output ranks as the fifth largest during the last ten years.

Production in the United States for 2005 is the second lowest in twenty years due to low yields. The U.S. pack totaled 341,905 tons, down 34,495 tons from the previous year. The reduced tonnage will result in a more balanced supply/demand position and reduced ending inventory levels.

The forecast 2005/06 production in the southern hemisphere (South Africa, Chile, Australia and Argentina), which normally accounts for about 20 percent of the world's commercial supply of canned peaches, is down by 5,340 tons to 257,330 tons. Exports from the southern hemisphere are forecast at 153,569 tons, down 4 percent.

Although southern hemisphere supplies are export volumes are fairly even through out the year, the new crop enters the market during the last half of marketing year prior to the entry of the larger northern hemisphere crop. This means that a significant portion of southern hemisphere supplies will be facing heavy competition from the China and Greece, the two largest exporters.

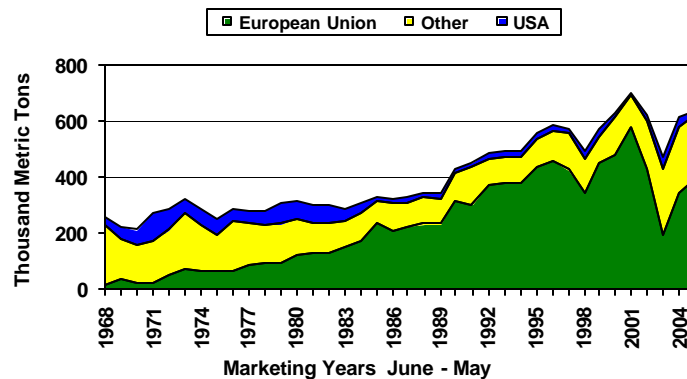
Normally the European Union (EU) accounts for over 60 percent of total world exports of canned peaches. In 2003/04, when Greek supplies were low the EU accounted for only 41 percent of the supplies. This year the EU is forecast to supply about 61 percent of world exports. The improved Greek crop will mean both the EU and other exporting countries will receive lower prices for canned peaches.

Because EU subsidies to Greece lead to higher production of canned peaches than the market can easily absorb, world stocks have tended to rise over time, reaching a high point of 289,815 tons in 2000/01. In 2003/04 ending stocks hit the lowest level in recent history, totaling only 123,206 tons before bouncing back to 150,624 tons in 2004 and a forecast 148,365 tons for 2005/06.

Greece

In marketing year 2003/04 clingstone peach farmers received the record price of €0.60/kg, which was extremely high due to the shortage of clingstone peaches. In 2004, with production returning to normal, the final price for farmers was decided at €0.22 /kg after long negotiations between their organizations and the processors. Initially, farmers asked for €0.26 /Kg, while processors were offering only €0.18.

Canned Peach Exports from Principal Supplying Countries



Source: U.S. Agricultural Attaché Reports: Principal supplying countries: US, South Africa, Australia, Argentina, Chile, and EU (Spain, Greece, Italy), China, beginning 2000.

In 2004 for the first time farmers asked the Minister of Agriculture to intervene and influence processors to agree on their initial proposed price of €0.26 /Kg, but a final compromise was achieved for €0.22/kg

EU Support Payments to Greece and Greek Exports to the World



Source: EU Commission DG VI July 1997

Note - Production aid data in budgetary ECU until MY 1993. Reduced thereafter by double rate coefficient. From MY 1998 on, data are computed from statutory aid and estimated production.

to be paid as the final farm gate price. For marketing year 2005/06, the price paid directly to farmers by processors for clingstone destined for canning was finally fixed at €0.19/kg. Farmers received an additional €0.0477/kg in EU subsidy which made the final price received by farmers at €0.2377/kg. At current exchange rates this works out to \$280/mt, a 9 percent decrease from last years price of \$307/mt. The average 2005 U.S. price for canning peaches was \$261/mt.

China

Over the past ten years China has become a major producer and exporter of canned peaches. Currently China produces about 206,500 tons of canned peaches. Exports for 2005 are placed at 75,000 tons. Exports have increased rapidly, from 37,000 tons in 1999 to over 80,000 tons in 2003. Japan is the primary market accepting about 33,000 to 35,000 tons of Chinese exports. China supplies about 60 percent of Japan's canned peach imports. The other important export markets are the United States, Russia, New Zealand, and Thailand.

Most of China's exports are white peaches which are favored in Japan. In 2005 farmers received about \$145/ton for white canning peaches and about \$303/ton for yellow canning peaches. Product for export is contracted with large canneries by overseas buyers for private label goods. Only a small portion of exports carry a Chinese brand name.

Australia

Canned peach output marketing year 2005 is forecast at, 42,330 tons, down slightly from the previous year. This forecast assumes normal weather conditions and sufficient supplies of irrigation water. A return to drought conditions or any significant reduction in irrigation water allocations would result in lower output.

Canned peach exports in 2005 are estimated at 14,000 tons, up sharply from the previous year. Exports of canned fruit from Australia to the United States are currently assessed a U.S. tariff of 18 percent. Under the FTA, the U.S. import tariff would be reduced to zero at the rate of one percent per year over a period of 19 years. The Australian canning fruit industry was particularly critical of the

relatively long phase-out period of the U.S. tariff.

Australia's two remaining fruit canners officially merged into one in September 2001. The merger was subject to approval of the Australian Competition and Consumer Commission. The Commission granted approval for the merger, stating that there was sufficient competition from imported canned fruit to guard against anti-competitive behavior. The new company, SPC-Ardmona, recently announced an annual operating profit. Recently, SPC-Ardmona held talks with a much larger food company, National Foods. National Foods, which is principally a large dairy foods manufacturer, signaled its intention to purchase SPC-Ardmona.

United States

Canned peach production for 2005 in the United States estimated at 341,905 tons, down 9 percent from last year due to the second lowest yields in the last 20 years. The reduced crop is due to shortfalls in the Extra Early and Extra Late varieties due to adverse weather patterns which adversely affected the bloom and fruit set for these varieties. Consumption remains fairly steady, forecast at 380,000 tons, only 5,566 tons below the previous season. The U.S. industry base price for canning peaches averaged \$261/ton down up \$3.00/ton from 2004. United States exports of canned peaches in marketing year 2004 dropped 20 percent to 35,334 tons due to stiffer competition from the improved Greek crop. United States exports for marketing year 2005 are forecast to decline to 20,000 tons. With the return of the Greek production to more normal levels, 2005 U.S. imports are forecast to increase by 13 percent to 42,000 tons.

Tables attached

Canned Peach Production Supply and Distribution

U.S. Export of Canned Peaches

U.S. Imports of Canned Peaches

The FAS Attaché Report search engine contains reports on the Canned Deciduous Fruit. For information on production and trade, contact Robert Knapp at 202-720-4620.

Canned Peach Production Supply and Distribution
Metric Tons (net weight)

	Beginning Stocks	Production	Imports	Exports	Domestic Consumption	Ending Stocks
Argentina						
2001/2002	22,565	47,000	2	4,531	57,980	7,056
2002/2003	7,056	60,000	38	33,000	33,500	594
2003/2004	594	65,000	-	24,000	40,000	1,594
2004/2005	1,594	70,000	-	28,000	42,000	1,594
2005/2006	1,594	65,000	-	26,000	40,000	594
Chile						
2001/2002	9,474	40,000	344	35,283	9,575	4,960
2002/2003	4,960	52,000	4,610	50,428	9,625	1,517
2003/2004	1,517	64,000	1,486	53,992	11,500	1,511
2004/2005	1,511	66,200	500	53,500	12,800	1,911
2005/2006	1,911	64,000	500	52,000	12,600	1,811
Australia						
2001/2002	9,600	41,666	420	11,573	32,500	7,613
2002/2003	7,613	43,741	677	12,981	35,000	4,050
2003/2004	4,050	29,880	4,990	6,548	29,500	2,872
2004/2005	2,872	40,670	5,500	13,000	33,000	3,042
2005/2006	3,042	42,330	6,000	14,000	34,000	3,372
South Africa						
2001/2002	57,930	61,313	112	63,581	24,862	30,912
2002/2003	30,912	99,887	3	77,168	33,000	20,634
2003/2004	20,634	87,400	482	70,522	30,700	7,294
2004/2005	7,294	85,800	500	66,000	22,000	5,594
2005/2006	5,594	86,000	475	61,569	25,000	5,500
Southern Hemisphere						
2001/2002	99,569	189,979	878	114,968	124,917	50,541
2002/2003	50,541	255,628	5,328	173,577	111,125	26,795
2003/2004	26,795	246,280	6,958	155,062	111,700	13,271
2004/2005	13,271	262,670	6,500	160,500	109,800	12,141
2005/2006	12,141	257,330	6,975	153,569	111,600	11,277

Canned Peach Production Supply and Distribution
Metric Tons (net weight)

	Beginning				Domestic	Ending
	Stocks	Production	Imports	Exports	Consumption	Stocks
Italy						
2001/2002	11,248	17,000	26,698	40,512	10,239	4,195
2002/2003	4,195	18,400	28,989	39,162	9,500	2,922
2003/2004	2,922	18,100	26,500	36,600	9,090	1,832
2004/2005	1,832	18,000	19,000	27,000	9,100	2,732
2005/2006	2,732	18,000	19,000	28,000	9,100	2,632
Greece						
2001/2002	121,300	407,000	1,000	458,300	14,000	57,000
2002/2003	57,000	290,000	1,000	295,000	12,000	41,000
2003/2004	41,000	61,700	3,000	75,000	7,000	23,700
2004/2005	23,700	320,000	1,200	278,900	16,000	50,000
2005/2006	50,000	338,000	800	321,800	12,000	55,000
Spain						
2001/2002	40,763	125,000	3,505	75,672	71,000	22,596
2002/2003	22,596	150,322	4,979	87,703	70,431	19,763
2003/2004	19,763	157,556	3,994	80,213	76,709	24,391
2004/2005	24,391	105,970	4,500	52,000	76,000	6,861
2005/2006	6,861	135,000	4,000	60,000	76,000	9,861
European Union						
2001/2002	173,311	549,000	31,203	574,484	95,239	83,791
2002/2003	83,791	458,722	34,968	421,865	91,931	63,685
2003/2004	63,685	237,356	33,494	191,813	92,799	49,923
2004/2005	49,923	443,970	24,700	357,900	101,100	59,593
2005/2006	59,593	491,000	23,800	409,800	97,100	67,493
United States						
2001/2002	47,223	325,577	62,768	8,468	390,009	37,091
2002/2003	37,091	401,920	49,305	20,398	390,304	77,614
2003/2004	77,614	362,320	33,807	44,254	369,475	60,012
2004/2005	60,012	376,400	37,246	35,334	374,434	63,890
2005/2006	63,890	341,905	42,000	20,000	380,000	47,795

Canned Peach Production Supply and Distribution
Metric Tons (net weight)

	Beginning Stocks	Production	Imports	Exports	Domestic Consumption	Ending Stocks
China						
2001/2002	na	na	na	na	na	na
2002/2003	na	na	na	na	na	na
2003/2004	-	210,000	4,174	80,628	133,546	-
2004/2005	-	200,500	5,135	71,090	134,545	-
2005/2006	-	206,500	4,300	75,000	135,800	-
Northern Hemisphere						
2001/2002	220,534	874,577	93,971	582,952	485,248	120,882
2002/2003	120,882	860,642	84,273	442,263	482,235	141,299
2003/2004	141,299	809,676	71,475	316,695	595,820	109,935
2004/2005	109,935	1,020,870	67,081	449,324	610,079	138,483
2005/2006	138,483	1,026,405	70,100	483,000	614,900	137,088
Total						
2001/2002	320,103	1,064,556	94,849	697,920	610,165	171,423
2002/2003	171,423	1,116,270	89,601	615,840	593,360	168,094
2003/2004	168,094	1,055,956	78,433	471,757	707,520	123,206
2004/2005	123,206	1,283,540	73,581	609,824	719,879	150,624
2005/2006	150,624	1,283,735	77,075	636,569	726,500	148,365

Source; reports from U.S. Agricultural Counselors and Attaches and or USDA/FAS estimates

Canned Pear Production Supply and Distribution

Metric Tons (net weight)

	Beginning Stocks	Production	Imports	Exports	Domestic Consumption	Ending Stocks
Australia						
2001/2002	3,898	41,500	34	24,594	18,500	2,338
2002/2003	2,338	43,160	50	14,516	29,000	2,032
2003/2004	2,032	40,670	505	11,500	30,000	1,707
2004/2005	1,707	43,575	700	9,690	32,000	4,292
2005/2006	4,292	43,990	900	11,800	33,000	4,382
Italy						
2001/2002	15,719	47,147	1,248	42,247	7,064	14,803
2002/2003	14,803	47,600	2,014	40,308	9,902	14,207
2003/2004	14,207	38,632	1,886	30,281	9,000	15,444
2004/2005	15,444	43,200	1,327	36,600	9,000	15,044
2005/2006	14,371	42,000	1,000	38,000	9,000	10,371
South Africa						
2001/2002	2,800	28,940	48	25,009	5,700	1,079
2002/2003	1,079	32,420	8	29,465	2,650	1,392
2003/2004	1,392	28,400	21	25,333	2,380	2,100
2004/2005	2,100	27,800	20	25,000	2,500	2,420
2005/2006	2,420	28,000	10	25,000	2,500	2,930
Spain						
2001/2002	5,020	48,300	439	30,770	18,372	4,617
2002/2003	4,617	40,480	900	14,499	26,000	5,498
2003/2004	5,498	26,055	867	13,072	10,513	8,835
2004/2005	8,835	19,589	1,400	11,300	10,500	8,024
2005/2006	8,024	22,900	1,000	13,000	10,500	8,424
Total						
2001/2002	27,437	165,887	1,769	122,620	49,636	22,837
2002/2003	22,837	163,660	2,972	98,788	67,552	23,129
2003/2004	23,129	133,757	3,279	80,186	51,893	28,086
2004/2005	28,086	134,164	3,447	82,590	54,000	29,780
2005/2006	29,107	136,890	2,910	87,800	55,000	26,107

U.S. EXPORTS OF CANNED PEACHES
Marketing Year June/May

Countries	2002	2003	2004	2005
--Metric Tons Net Weight 1/ --				
Mexico	740	9,097	12,032	12,691
Canada	4,774	4,496	7,260	9,693
Thailand	264	2,737	577	5,041
Taiwan	47	173	487	1,939
Australia	-	-	559	1,797
Guatemala	142	57	29	1,211
China	7	60	4,452	954
Japan	261	171	277	257
Philippines	508	1,375	9	228
United Kingdom	55	158	-	206
New Zealand	-	-	52	178
Panama	117	444	409	173
Singapore	19	126	148	144
Honduras	51	15	15	137
Israel	-	54	215	134
Costa Rica	336	243	86	132
Bahamas	20	19	38	80
Netherlands	55	-	8,199	24
Germany	-	-	4,738	-
Greece	215	589	1,008	-
Italy	-	-	3,024	-
Other	858	586	638	316
Total	8,468	20,398	44,254	35,334

1/ One metric ton equals 48.99 standard cases of 24 x 2 1/2 cans

Totals may not add due to rounding

Source: U.S. Census Bureau

U.S. IMPORTS OF CANNED PEACHES
Marketing Year June/May

Countries	2002	2003	2004	2005
--Metric Tons Net Weight 1/ --				
China	2,357	3,690	6,497	10,535
Greece	39,812	21,448	4,118	9,575
Thailand	924	4,865	9,055	7,146
Spain	9,095	5,449	2,540	2,656
Chile	653	586	1,758	2,456
South Africa	6,965	8,384	5,196	2,253
Philippines	158	2,095	2,119	1,099
Argentina	39	498	2,125	678
Mexico	307	125	157	410
Canada	401	33	15	199
France	112	142	134	146
Korea	28	11	2	23
Australia	1,789	1,792	73	-
Other	128	197	20	72
Total	62,768	49,305	33,807	37,246

1/ One metric ton equals 48.99 standard cases of 24 x 2 1/2 cans

Totals may not add due to rounding

Source: U.S. Census Bureau